Housing Growth Partnership Limited

(England & Wales: 09504850)

Annual Report and Financial Statements

For the year ended 31 March 2022

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GENERAL INFORMATION

Directors	V Hepburn K Packard AT Rougier
Secretary	P Gittins
Registered Office	25 Gresham Street London, EC2V 7HN
Investment Manager	Housing Growth Partnership Manager Limited 25 Gresham Street London, EC2V 7HN
Solicitors	Pinsent Masons LLP 30 Crown Place London, EC2A 4ES
Bankers	Lloyds Banking Group Plc 25 Gresham Street London, EC2V 7HN
Independent Auditors	Deloitte LLP 2 New Street Square London, EC4A 3BZ

DIRECTORS' REPORT

The Directors submit their report together with the audited Financial Statements of Housing Growth Partnership Limited (the 'Company') for the year ended 31 March 2022.

The Company was incorporated on 23 March 2015. The Company is limited by shares, as per the certificate of incorporation filed at Companies House.

Dividends

No dividends were paid or proposed during or in respect of the year ended 31 March 2022 (2021: £nil).

Business Review

The Company is an investment holding company with investments in subsidiaries, joint ventures and associates.

The profit for the year ended 31 March 2022 was £150,552 (2021:£2,000,900). The total assets as at 31 March 2022 were £4,320,816 (2021:£3,264,934). The Directors are satisfied that the financial position of the Company will enable it to continue with its principal activity as investment holding company to Housing Growth Partnership LP.

The Directors expect the business to remain unchanged in the coming year.

Going Concern

As set out in Note 2 'Going concern – Principles underlying going concern assumption' of the notes to the Financial Statements, the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future, being at least 12 months from the date of approval. The Covid-19 pandemic has had a significant effect on the UK economy and there is uncertainty about how the housing market will be affected in the short term. The Company's income is derived from the investments it makes in housing development projects in the UK and this income would therefore be affected by adverse changes in the cashflows and profitability of development projects. Based on a detailed review of the underlying investments and fund level scenario testing, the Directors are satisfied that the portfolio remains robust and able to withstand forecast market fluctuations. The going concern basis continues to be appropriate in preparing the Financial Statements. The Company has not been directly impacted by COVID-19. The Directors will continue to monitor for further developments however at this stage they do not anticipate any material issues for the Company. No changes to the Partnership's activities are envisaged.

Directors

The Directors of the Company who were in office during the year end and up to the date of signing the Financial Statements are shown on page 3.

The following changes have taken place:

A Hulme (resigned 26 November 2021)

The Directors have not received any remuneration in the year (2020: £nil).

Directors' indemnities

Lloyds Banking Group Plc has granted to the Directors of the Company, (including former Directors who resigned during the year), a deed of indemnity through deed poll which constituted 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006. The deed was in force during the whole of the financial year and at the date of approval of the Financial Statements (or from the date of appointment in respect of the Directors who joined the Board of the Company during the financial year). Directors no longer in office but who served on the Board of the Company at any time in the financial year had the benefit of this contract of indemnity during that period of service. The indemnity remains in force for the duration of a Director's period of office. The deed indemnifies the Directors to the maximum extent permitted by law. The Deed for existing Directors is available for inspection at the registered office of Lloyds Banking Group Plc. In addition, Lloyds Banking Group Plc has in place appropriate Directors and Officers Liability Insurance cover which was in place throughout the financial year.

DIRECTORS' REPORT (continued)

Basis of Preparation

This Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Company has taken the exemption under section 414B of the Companies Act 2006 for the requirements to prepare a Strategic Report for the financial year.

Financial Risk Management Objectives and Policies

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including changes in asset values), credit risk and liquidity risk. These risks have been considered by the Directors in forming their judgement to adopt a going concern basis in preparing the Financial Statements of the Company. These risks are further detailed in Note 4.

Current and Future Developments

Despite a resilient recovery, the financial year under audit has been another year of significant uncertainty, with COVID-19 impacting global and domestic economies.

The current conflict between Russia and Ukraine, which has led to sanctions being imposed on Russia and Belarus, also has the potential to affect UK and world economies in the coming months. No changes to the Company's activities are envisaged.

Employees

The Company has no employees during the year ended 31 March 2022 (2021: none). The key management personnel have been identified as the Directors of the Company.

Disclosure of Information to the Auditors

Each of the persons who is a Director at the date of this report confirms that:

- as far as each of them is aware, there is no information relevant to the audit of the Company's Financial Statements for the year ended 31 March 2022 of which the auditor is unaware; and
- the Director has taken all steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors confirm that the requirements in the Statement of Directors' Responsibilities have been met in preparing these Financial Statements.

This confirmation is given and should be interpreted in accordance with provisions of section 418 of the Companies Act 2006.

Independent Auditors

Deloitte LLP are deemed to be re-appointed as auditors under section 487(2) of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf by:

V.L

V Hepburn
Director
8 September 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, International Accounting Standard 1 requires that directors:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as issued by the IASB have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Independent auditor's report to the members of Housing Growth Partnership Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Housing Growth Partnership Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB)]; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.
We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- *reviewing financial statement disclosures by testing to supporting documentation to assess compliance with* provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, *and instances of non-compliance with laws and regulations; and*
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- *we have not received all the information and explanations we require for our audit.*
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have *nothing to report in respect of these matters.*

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tom Millar, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
8 September 2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
Interest income on intercompany loan		189,354	40,405
Investment income		-	1,981,087
Other comprehensive income		189,354	2,021,492
Administrative expenses	5	(38,802)	(20,592)
Profit before tax		150,552	2,000,900
Taxation	13	-	-
Total comprehensive income for the year		150,552	2,000,900

The accompanying Notes on pages 14 to 21 form an integral part of these Financial Statements.

All the above items relate to continuing operations. There is no other comprehensive income during the current or prior year.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

ASSETS	Note	As at 31 March 2022 £	As at 31 March 2021 £
Non-current assets			
Investment in subsidiary	6	765,659	765,659
Shareholders' loans	8	1,776,363	-
Investments in associates and joint ventures	7	258,719	-
Total non-current assets		2,800,741	765,659
Current assets			
Trade and other receivables	8	100	1,900,110
Cash and cash equivalents	9	1,519,975	599,165
Total current assets		1,520,075	2,499,275
Total assets		4,320,816	3,264,934
EQUITY AND LIABILITIES			
Equity			
Share capital	14	100	100
Accumulated losses		(581,539)	(732,091)
Total equity		(581,439)	(731,991)
Non-current liabilities			
Loans and borrowings	12	3,608,171	3,623,030
Total non-current liabilities		3,608,171	3,623,030
Current liabilities			
Trade and other payables	10	1,294,084	373,895
Total current liabilities		1,294,084	373,895
Total equity and liabilities		4,320,816	3,264,934

These Financial Statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using IFRS.

The accompanying Notes on pages 14 to 21 form an integral part of these Financial Statements.

The Financial Statements on pages 10 to 13 were approved by the Board on 8 September 2022.

Signed for and on behalf of the Board of Directors

V Hepburn
Director
8 September 2022

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 MARCH 2022

	Share capital	Accumulated losses	Total equity
	£	£	£
As at 1 April 2020	100	(2,732,991)	(2,732,891)
Total comprehensive income for the year	-	2,000,900	2,000,900
As at 31 March 2021	100	(732,091)	(731,991)
Total comprehensive income for the year	-	150,552	150,552
As at 31 March 2022	100	(581,539)	(581,439)

The accompanying Notes on pages 14 to 21 form an integral part of these Financial Statements.

Housing Growth Partnership Limited
(England Wales: 09504850)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note(s)	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Operating activities			
Profit before tax		150,552	2,000,900
Adjustments for:			
Non-cash interest income		-	(40,405)
Operating cash flows before movements in working capital		**150,552**	**1,960,495**
Increase in loan receivable	8	(1,776,363)	-
Decrease / (increase) in receivables	8	1,900,010	(1,900,006)
Increase / (decrease) in payables	10	920,189	(1,427,081)
Net cash flow generated from operating activities		**1,194,388**	**(1,366,592)**
Investing activities			
Repayment of investments in joint ventures and associates	6, 7, 8	(258,719)	1,324,029
Net cash flow generated from investment activities		**(258,719)**	**1,324,029**
Financing activities			
Advance of (repayment) / borrowings	12	(14,859)	527,178
Net cash flow used in financing activities		**(14,859)**	**527,178**
Net increase in cash and cash equivalents		**920,810**	**484,615**
Cash and cash equivalents at the beginning of the year		599,165	114,550
Cash and cash equivalents at the end of the year	9	**1,519,975**	**599,165**

The accompanying Notes on pages 14 to 21 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 GENERAL INFORMATION

Housing Growth Partnership Limited (the Company) is a Company limited by shares incorporated, domiciled in the United Kingdom and registered at 25 Gresham Street, London, EC2V 7HN.

The Company's activity is to make, hold, monitor and realise investments, being principally equity and equity-related investments in projects developed in conjunction with UK based house-builders. The Company seeks to support the regional housebuilding community in growing its capacity and increasing the number of new homes built.

2 ACCOUNTING POLICIES

a) Basis of preparation

The Financial Statements of the Company have been prepared on a going concern basis, applying the historical cost basis. The Financial Statements are presented in Great British Pounds (£), which is the functional and presentational currency. The Financial Statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using IFRS as issued by the IASB.

These separate Financial Statements contain information about the Company only and do not contain consolidated financial information. The Company has taken advantage of the exemptions under IFRS 10 Consolidated Financial Statements, IAS 28 Investments in Associates and Joint Ventures and Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements and from accounting for its equity investments in joint ventures by the equity method. The Company and its investees are included in the consolidated Financial Statements of the Company's ultimate parent company.

b) Cash flow statement

The Company reports cash flows from operating activities using the indirect method. Interest received and paid is presented within financing cash flows.

c) New and amended standards adopted by the Company

The Company has adopted all the Standards and Interpretations of the IASB and the IFRS Interpretations Committee of the IASB that are relevant to its operations and effective for accounting periods beginning from 1 April 2021.

d) New standards, amendments and interpretations issued but not yet effective

As at 31 March 2022, the following new or amended standards and interpretations had been issued by the IASB but are yet to become effective.

Standard	Content	Effective Date
IFRS 17	Insurance contracts	1 January 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1	Disclosure of accounting policies	1 January 2023
Amendments to IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023

The Company will consider the impact of these new financial standards and amendments in the next financial year.

e) Going concern – Principles underlying going concern assumption

The Directors have considered a range of criteria including operational resilience, future operations and funding requirements and have received a letter of support from Housing Growth Partnership LP that its subsidiaries, including the Company, will continue to have access to liquidity and capital resources for the foreseeable future being twelve months from the date of approval and, accordingly, the Financial Statements have been prepared on a going concern basis.

f) Investment in associates, joint ventures and subsidiaries

Investments in associates, joint ventures and subsidiaries are initially recognised at cost and held at cost less any adjustments required by annual impairment reviews.

g) Trade and other receivables

Trade and other receivables are recognised and carried at amortised cost.

The Company recognises lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

h) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash in hand and at bank.

i) Loans and Borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

2 *ACCOUNTING POLICIES (Continued)*

j) **Loans to subsidiaries**

All loans to subsidiaries are initially recognised at fair value less directly attributable transaction costs. Loans to subsidiaries that bear no interest but have a fixed date for repayment are initially recognised at the present value of future payments discounted at a market rate of interest for similar debt instruments. A difference between the cash paid and present value on initial recognition is recognised as an addition to its investment in its subsidiary. In subsequent periods, interest is recognised on the loans in the Statement of Comprehensive Income using the effective interest method. The interest recognised will be the unwinding of the difference between present value on initial recognition and the cash received. There are no set payment terms, but the loans have a maximum maturity of 5 years. There are no significant judgments within the income recognition policy.

k) **Trade and other payables**

Trade and other payables are recognised and carried at amortised cost. Where the time value of money is material, payables are subsequently carried at amortised cost. Generally this results in their recognition at their nominal value.

l) **Taxation**

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in Other Comprehensive Income.

Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is not recognised for the following temporary differences:
- the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses; and
- investments in subsidiaries where the Company controls the timing of the reversal of temporary differences and it is probable that these differences will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses and other temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

m) **Capital**

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern and provide an adequate return to its shareholders through pricing services commensurately with the level of risk.

n) **Investment income**

Investment income is recognised when the right to receive dividend payment is established and recognised in the Statement of Comprehensive Income as investment income

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

Judgements
There are no significant judgements in the preparation of the Financial Statements in the current or prior year.

Impairment of investments

Impairment of the Company's investments is a key source of estimation uncertainty as it involves a judgement on the future performance of the underlying investments, however, in accordance with the accounting policy of the Company, investments are initially recognised at cost and held at cost less any adjustments required by annual impairment reviews.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including changes in asset values), credit risk and liquidity risk. These risks have been considered by the Directors in forming their judgement to adopt a going concern basis in preparing the Financial Statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market risk

The Company is affected by the performance of the UK housing market which affects the valuation of the Company's non-financial assets. Market risk is managed by diversifying the portfolio of properties across the UK, therefore there is no exposure to market risk.

b) Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's main income generating activity is lending to investment partners and therefore credit risk is a principal risk. Credit risk mainly arises from shareholders' loans to subsidiaries, associates and joint ventures. The Partnership considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes. The Directors are satisfied that related parties continue to have the support of Lloyds Banking Group plc and credit risk has therefore been assessed as low.

The Company's maximum exposure to credit risk arises from the carrying amount of the respective financial assets as stated in the statement of financial position.

c) Liquidity risk

The Company monitors its risk of a shortage of funds using detailed cash flow monitoring. Liquidity risk is managed by ensuring that the level and maturity of shareholder loans used to finance the investments matches the forecast operational or capital cash flows from its portfolio.

The maturity analysis of financial liabilities is as follows:

As at 31 March 2022	Less than 1 year	From 1 to 5 years	After 5 years	TOTAL
	£	£	£	£
Financial liabilities				
Loans and borrowings	-	-	3,608,171	3,608,171
Trade and other payables	1,294,084	-	-	1,294,084
	1,294,084	-	3,608,171	4,902,255

As at 31 March 2022	Less than 1 month	From 1 to 3 months	From 3 to 12 months	TOTAL
	£	£	£	£
Financial liabilities				
Trade and other payables	-	-	1,294,084	1,294,084
	-	-	1,294,084	1,294,084

As at 31 March 2021	Less than 1 year	From 1 to 5 years	After 5 years	TOTAL
	£	£	£	£
Financial liabilities				
Loans and borrowings	-	-	3,623,030	3,623,030
Trade and other payables	373,895	-	-	373,895
	373,895	-	3,623,030	3,996,925

As at 31 March 2021	Less than 1 month	From 1 to 3 months	From 3 to 12 months	TOTAL
	£	£	£	£
Financial liabilities				
Trade and other payables	-	-	373,895	373,895
	-	-	373,895	373,895

The Directors are satisfied that sufficient income from investments will be available to meet the Company's financial liabilities as they fall due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

5 ADMINISTRATIVE EXPENSES

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Audit fees	20,790	20,592
Legal & Professional	16,236	-
Expected credit losses on shareholders' loans	1,776	-
Total administrative expenses	38,802	20,592

6 INVESTMENT IN SUBSIDIARY

	Investment in subsidiaries
	£
As at 1 April 2020 and as 1 April 2021	765,659
Additions	-
Disposals	-
As at 31 March 2021 and 31 March 2022	765,659

The Company has the following significant holdings as at 31 March 2022:

Name	Registered Office	% interest held	Nature of relationship	Cost £
Brington North Hold Co Limited	25 Gresham Street, London, EC2V 7HN	100%	Subsidiary	765,659

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Loans	Capital	Total
	£	£	£
As at 1 April 2021	-	-	-
Additions	258,719	-	258,719
Disposals	-	-	-
As at 31 March 2022	258,719	-	258,719

Set out below are the associates and joint ventures of the Company as at 31 March 2022 which, in the opinion of the Directors, are material to the Company. The associates and joint ventures as listed below have share capital consisting solely of ordinary shares and non-interest-bearing shareholder loans, which are held directly by the Company; the registered office is also their principal place of business.

Name	Registered Office	% interest held	Nature of relationship	As at 31 March 2022	As at 31 March 2021
Oakfield Park (Kirkby Lonsdale) LLP	Mintsfeet Place, Kendal, Cumbria, LA9 6LL	50%	Joint Venture	161,182	-
Antler Amberley LLP	Knightway House, Park Street, Bagshot, GU19 5AQ	50%	Joint Venture	97,537	-
				258,719	-

During the year ending 31 March 2022, none of the Company's investments in associates and joint ventures were impaired.

8 TRADE AND OTHER RECEIVABLES

	As at 31 March 2022	As at 31 March 2021
	£	£
Non-current		
Intercompany loan receivable	1,776,363	-
	1,776,363	-
Current		
Other receivable	100	1,900,100
Amounts due from related parties	-	10
	100	1,900,110
Total trade and other receivables	1,776,463	1,900,110

These balances are short term in nature, repayable on demand and not interest bearing. There were no significant past due or impaired receivables as at 31 March 2022 (2021: £nil). The balances due from related parties are unsecured, interest free and repayable within 1 to 5 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

9 CASH AND CASH EQUIVALENTS

	As at 31 March 2022	As at 31 March 2021
	£	£
Cash at bank	1,519,975	599,165
Total cash and cash equivalents	1,519,975	599,165

10 TRADE AND OTHER PAYABLES

	As at 31 March 2022	As at 31 March 2021
	£	£
Amount due to joint ventures & associates	1,236,282	354,895
Other payables	1,776	-
Amounts due to related parties	7,920	-
Accruals	48,106	19,000
Total trade and other payables	1,294,084	373,895

These balances are current, interest free and repayable on demand.

11 TRANSACTIONS WITH RELATED PARTIES

Investments in subsidiaries are related parties and are detailed in Note 6.

Investments in joint venture and associates are related parties and are detailed in Note 7.

During the year the Company incurred management fees of £nil (2021: £nil). As at year end £7,920 (2021: £10 receivable) was due to Housing Growth Partnership Manager Ltd and included within trade and other payables.

The Company's cash and cash equivalents balance is held with Lloyds Banking Group Plc.

Transactions with key management personnel

There were no transactions between the Company or its subsidiaries and with key management personnel during the current year. Key management personnel are employed by other companies in Lloyds Banking Group Plc and consider that their services to the Company are incidental to their other activities within Lloyds Banking Group Plc. The Directors' emoluments were therefore £nil (2021: £nil).

Key management compensation

The members of the Board of Directors are considered to be the key management of the Company.

There are no amounts receivable from or payments due to members of the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

12 LOANS AND BORROWINGS

Lender	As at 31 March 2022	As at 31 March 2021
	£	£
Housing Growth Partnership LP	3,608,171	3,623,030
Total Loans and Borrowings	3,608,171	3,623,030

Loans and Borrowings are not interest bearing, unsecured and are repayable on demand.

13 TAXATION

A reconciliation between tax charge and the product of (loss)/profit before tax multiplied by the standard rate is as follows:

	Year Ended 31 March 2022	Year Ended 31 March 2021
	£	£
Profit before tax	150,552	2,000,900
Tax on profit at standard UK tax rate of 19% (2021: 19%)	28,605	380,171
Effects of:		
Non-taxable income		(376,407)
Taxable profit allocation	720	50,143
Utilisation of tax losses	(29,325)	(53,907)
Tax charge for the year	-	-

The standard rate of corporation tax in the UK is 19% with effect from 1 April 2018. Accordingly the Company's profits for this accounting year are taxed at an effective rate of 19% (2021: 19%).

Factors that may affect future tax charges

The standard rate of corporation tax in the UK has been 19% throughout the financial year (2021: 19%). The Chancellor announced in the March 2021 Budget an increase to the corporation tax rate from 19% to 25% with effect from 1 April 2023.

A deferred tax asset has not been recognised in respect of excess management expenses of £2,435,069 (2021: £2,435,069) carried forward as there are no predicted future taxable profits against which the unrelieved management expenses can be utilised.

14 SHARE CAPITAL

	As at 31 March 2022	As at 31 March 2021
	£	£
100 (2021: 100) ordinary shares issued and not fully paid of £1 each	100	100
	100	100

The issued share capital remained unpaid at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

15 NOTES SUPPORTING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Reconciliation of liabilities arising from financing activities

	Year Ended 31 March 2021	Capital Drawn	Capital Repaid	Year Ended 31 March 2022
Loans and borrowings	3,623,030	1,485,141	(1,500,000)	3,608,171
Total loans and borrowings	*3,623,030*	*1,485,141*	*(1,500,000)*	*3,608,171*

16 PARENT UNDERTAKING AND ULTIMATE HOLDING COMPANY

As at 31 March 2022, Housing Growth Partnership GP LLP held the shares of the Company on behalf of Housing Growth Partnership LP, where Housing Growth Partnership LP is the beneficial owner and immediate parent company of the Company. The company regarded as the ultimate parent company and controlling party is Lloyds Banking Group plc (incorporated in Scotland), which is also the parent undertaking of the smallest group of undertakings for which Group Financial Statements are drawn up and of which the Company is a member. Copies of the group financial statements may be obtained from Group Secretariat, Lloyds Banking Group plc, 25 Gresham Street, London, EC2V 7HN.

17 SUBSEQUENT EVENTS

Post the balance sheet date the Company received a dividend of £1,198,022 from Brington North Hold Co Limited. On 27 May 2022, the Company sold Brington North Hold Co Limited to Housing Growth Partnership II Limited Partnership for £1.

18 COVID 19

The UK economy continues to recover from the Covid-19 outbreak in 2021. During the year lockdown restrictions were eased and all Covid-19 related restrictions were removed entirely in the UK on 24th February 2022. The Directors continue to monitor any future impacts that the pandemic may still have on the Company and its operations and have noted no material impact thus far.